

HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

Yellowknife Highlights

Canada Mortgage and Housing Corporation

Date Released: Spring 2008

Highlights

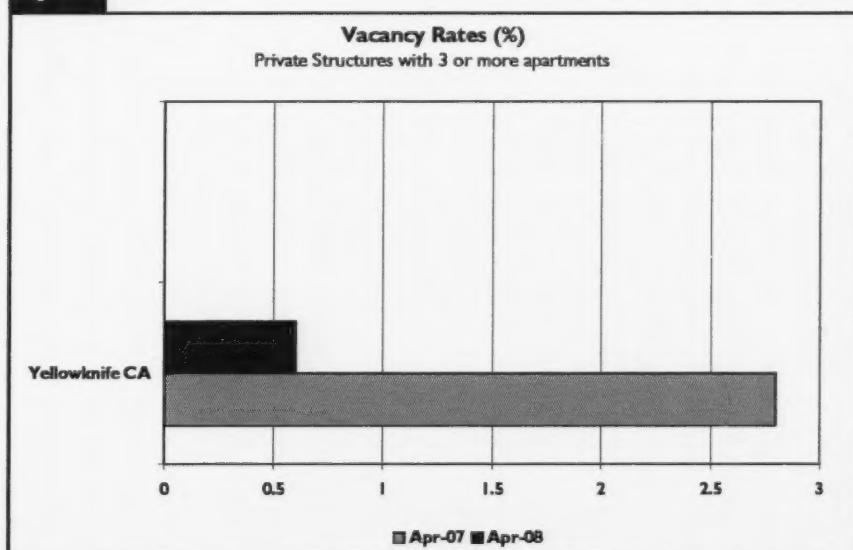
- The average apartment vacancy rate in Yellowknife dropped from 2.8 per cent in April 2007 to 0.6 per cent in April 2008.
- The apartment availability rate slipped from 4.1 per cent last spring to 1.1 per cent this spring.
- Average apartment rent for all unit types increased slightly to \$1,278 per month.

Apartment vacancies hit a seven-year low

According to the results of Canada Mortgage and Housing Corporation's Spring Rental Market Survey, the vacancy rate for apartment units in Yellowknife dropped from 2.8 per cent last April to 0.6 per cent this year. This is the lowest level since October 2002 when the vacancy rate for apartment units bottomed out at 0.3 per cent. A growing demand for all types of housing combined with a low level of rental construction led to the decline in the apartment vacancy rate. Last year, builders started only 20 multiple units, less than one fifth of Yellowknife's annual average for the five-year period 2002-2006 and 39 per cent less than in 2006. The low level of multi-family construction seen in 2007 has continued this year, with no multiple units started during the first quarter.

Out of the 2,004 apartment units surveyed, only 12 were vacant this April compared with 53 last year. The universe of rental apartments in

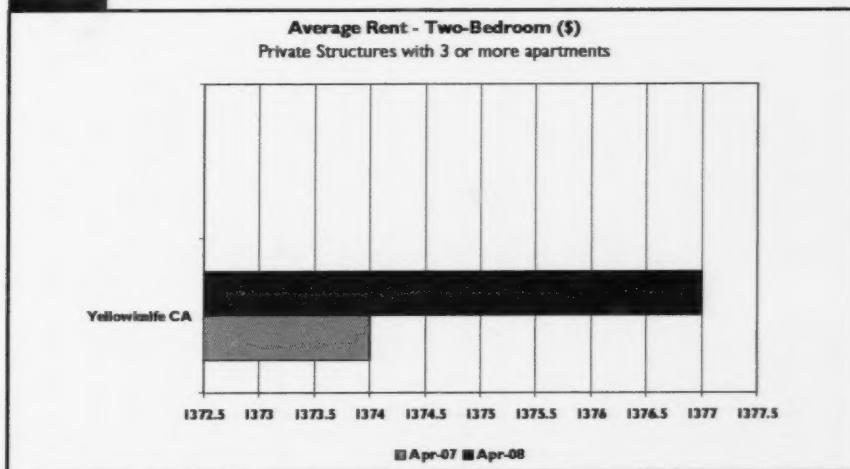
Figure 1



Canada



Figure 2



Yellowknife however expanded by 83 units this April compared to last year, with some hotel and non-market units reverting to market rentals. Though bachelors had the highest vacancies among all bedroom types, they accounted for only three per cent (62 units) of the rental apartment universe. As only 56 units were surveyed last year, an additional six units this year caused the vacancy rate to increase from 1.8 per cent last April to 3.8 per cent this April. The demand for two-bedrooms, nearly half of the universe, was much stronger with vacancies dropping to 0.9 per cent in April 2008, down from two per cent last year. Out of the 769 one-bedroom units surveyed in April 2008, only one was found vacant, which translates to a vacancy rate of 0.2 per

cent down from 3.4 per cent last year. No three-bedroom units were found vacant out of the 219 units of this type surveyed in April 2008, whereas 4.1 per cent of the units surveyed were vacant last year.

CMHC's Rental Market Survey also released results on the availability of rental units. A rental unit is considered available if it is vacant or a new tenant has not signed a lease and the existing tenant has given or received official notice to move in. The apartment availability rate slipped from 4.1 per cent last spring to 1.1 per cent this spring. Availability was highest this spring in bachelors (8.2 per cent) and two-bedrooms (1.2 per cent) and lowest in one-bedroom (0.7 per cent) and three bedrooms and more (0.5 per cent).

Apartment rents increase modestly in the face of lower vacancies

In the face of fewer vacant units and growing demand, the average two-bedroom apartment rent increased to \$1,377 in April 2008, up three dollars year-over-year. For all types of units, the average apartment rent rose by eight dollars to \$1,278. This level of growth however masks some of the underlying strength in smaller and larger units. Monthly rents for bachelor units averaged \$908 this April, up \$38 from last year. The three-bedroom+ apartment rent increased to \$1,482 this April, up \$17 from its April 2007 value.

1.1.1 Private Apartment Vacancy Rates (%)

by Bedroom Type

Yellowknife

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08
Yellowknife CA	1.8 a	3.8 a	3.4 a	0.2 b	2.0 a	0.9 a	4.1 b	0.0 b	2.8 a	0.6 a

The following letter codes are used to indicate the reliability of the estimates:

a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)

** Data suppressed to protect confidentiality or data is not statistically reliable

n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click [Methodology](#) or [Data Reliability Tables Appendix](#) links for more details

1.1.2 Private Apartment Average Rents (\$)

by Bedroom Type

Yellowknife

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08
Yellowknife CA	870 a	908 a	1,125 a	1,134 a	1,374 a	1,377 a	1,465 a	1,482 a	1,270 a	1,278 a

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):

a – Excellent ($0 \leq cv \leq 2.5$), b – Very good ($2.5 < cv \leq 5$), c – Good ($5 < cv \leq 7.5$)

d – Fair (Use with Caution) ($7.5 < cv \leq 10$)

** Data suppressed to protect confidentiality or data is not statistically reliable

n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click [Methodology](#) or [Data Reliability Tables Appendix](#) links for more details

1.1.3 Number of Private Apartment Units Vacant and Universe in April 2008

by Bedroom Type

Yellowknife

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Yellowknife CA	2 a	62	1 b	769	8 a	953	0 b	219	12 a	2,004

The following letter codes are used to indicate the reliability of the estimates:

a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)

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n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

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1.1.4 Private Apartment Availability Rates (%) by Bedroom Type Yellowknife											
Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total		
	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	
Yellowknife CA	1.8 a	8.2 a	4.8 a	0.7 a	3.2 a	1.2 a	5.7 b	0.5 b	4.1 a	1.1 a	

The following letter codes are used to indicate the reliability of the estimates:

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n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

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1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent ¹ by Bedroom Type Yellowknife											
Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total		
	Apr-06 to Apr-07	Apr-07 to Apr-08									
Yellowknife CA	n/a	7.0 a	n/a	**	n/a	2.6 c	n/a	4.4 b	n/a	2.7 c	

¹ The Estimate of Percentage Change is a measure of the market movement, and is based on those structures that were common to the survey for both years.

The following letter codes are used to indicate the reliability of the estimates:

a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)

** Data suppressed to protect confidentiality or data is not statistically reliable

++ change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0)

n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click [Methodology](#) or [Data Reliability Tables Appendix](#) links for more details

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The data collected for a structure depends on whether it is an apartment or a row structure. The survey collects market rent, available and vacant unit data for all sampled structures. Most RMS data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the April 2007 and April 2008 Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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